

South Carolina Board of Economic Advisors

Statement of Estimated State Revenue Impact

Date: February 23, 2007

Bill Number: H.B. 3131

Author: Harrell and Umphlett

Committee Requesting Impact: House EPW

Bill Summary

A bill to amend Article 22, Chapter 3, Title 56, relating to the issuance of special motor vehicle license plates to certain current and retired elected officials, so as to provide for the issuance of special license plates to retired members of the United States Congress, and to make technical changes, **as amended**.

REVENUE IMPACT ^{1/}

This bill is expected to raise DMV earned funds by \$42 and Motor Vehicle License revenues within the General Fund by \$48 in FY 2007-08.

Explanation

This bill, as amended in subcommittee, makes a former member of the U.S. Congress from this State eligible for one special license plate under this section. A special fee of \$30 applies to each plate and is in addition to the regular (\$24/auto or \$30/truck) biennial registration fee. Special fee proceeds, net of production costs retained by DMV, go to the state General Fund. Pursuant to temporary proviso 36A.18, Part 1B of Act 397 of 2006, these plates expire annually on January thirty-first of each year. Furthermore, effective July 1, 2007, under Section 56-3-910 (B), proceeds of the \$24 regular registration fee are distributed as follows: \$2 to DMV's plate replacement fund; \$22 to the State Highway Account of the S. C. Transportation Infrastructure Bank (SIB).

Based on a review of DMV records for this plate series, there are approximately ten active plates, of which one is for a truck. Based on our review, another twelve former members reside in this State and are eligible for the plate. We estimate no more than six plates only for autos would be issued in the initial year. Multiplying six plates times an annualized cost of \$15 yields \$90, of which \$42 would be retained by DMV for costs and the balance of \$48 would go to the state General Fund. Adoption of this bill would therefore raise DMV earned funds by \$42 and Motor Vehicle License revenues within the General Fund by \$48 in FY 2007-08. Since there is no change in rate or distribution of the regular biennial fee, this bill would not impact applicable state revenue distributions in FY 2007-08.

Analyst: Di Biase

/s/ William C. Gillespie

William C. Gillespie, Ph.D.
Chief Economist

^{1/} This statement meets revenue impact requirements of Section 2-7-71 for a state impact by BEA, Section 2-7-76 for a local impact or Section 6-1-85(B) for an estimate of the shift in local property tax incidence by Office of Economic Research (OER).